

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

The Business Concept

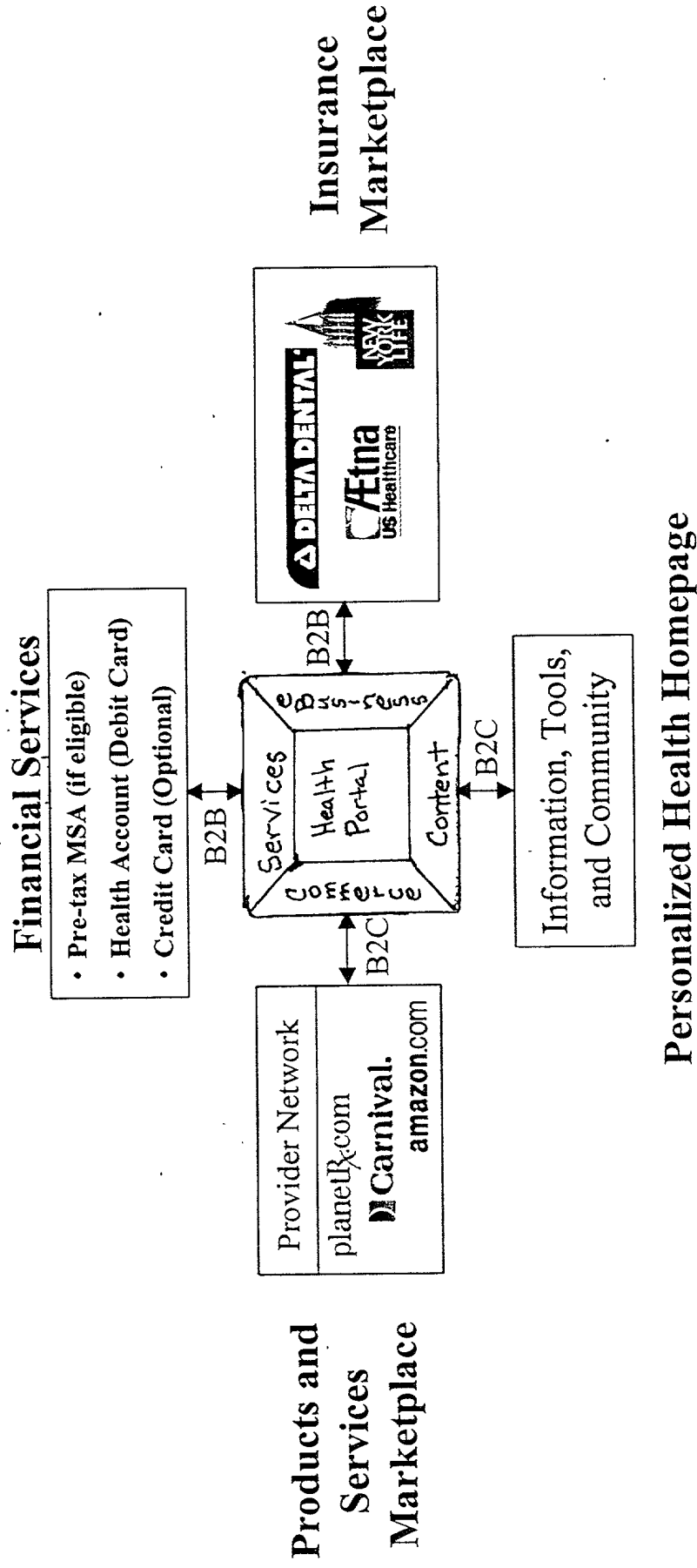


Fig 2

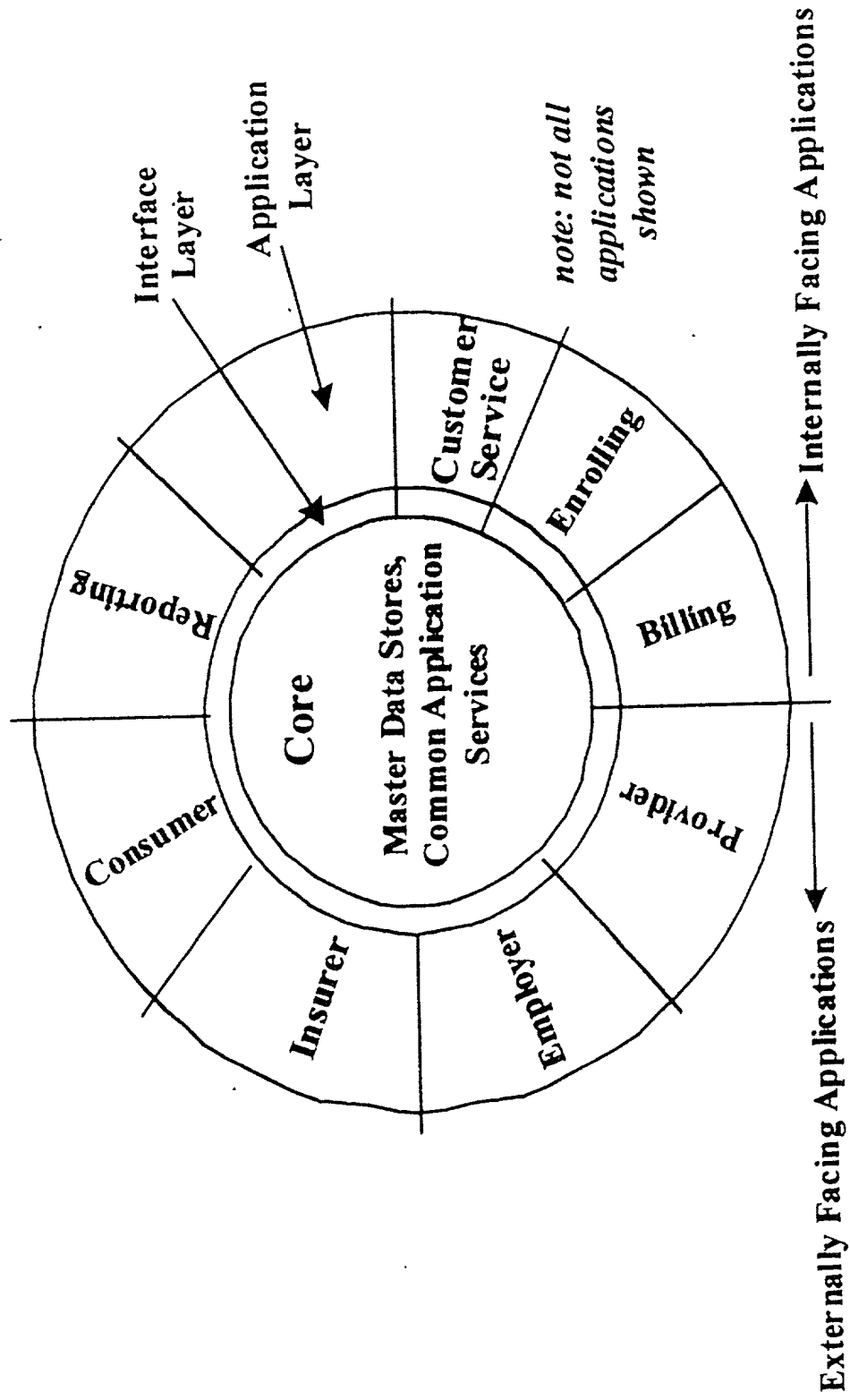
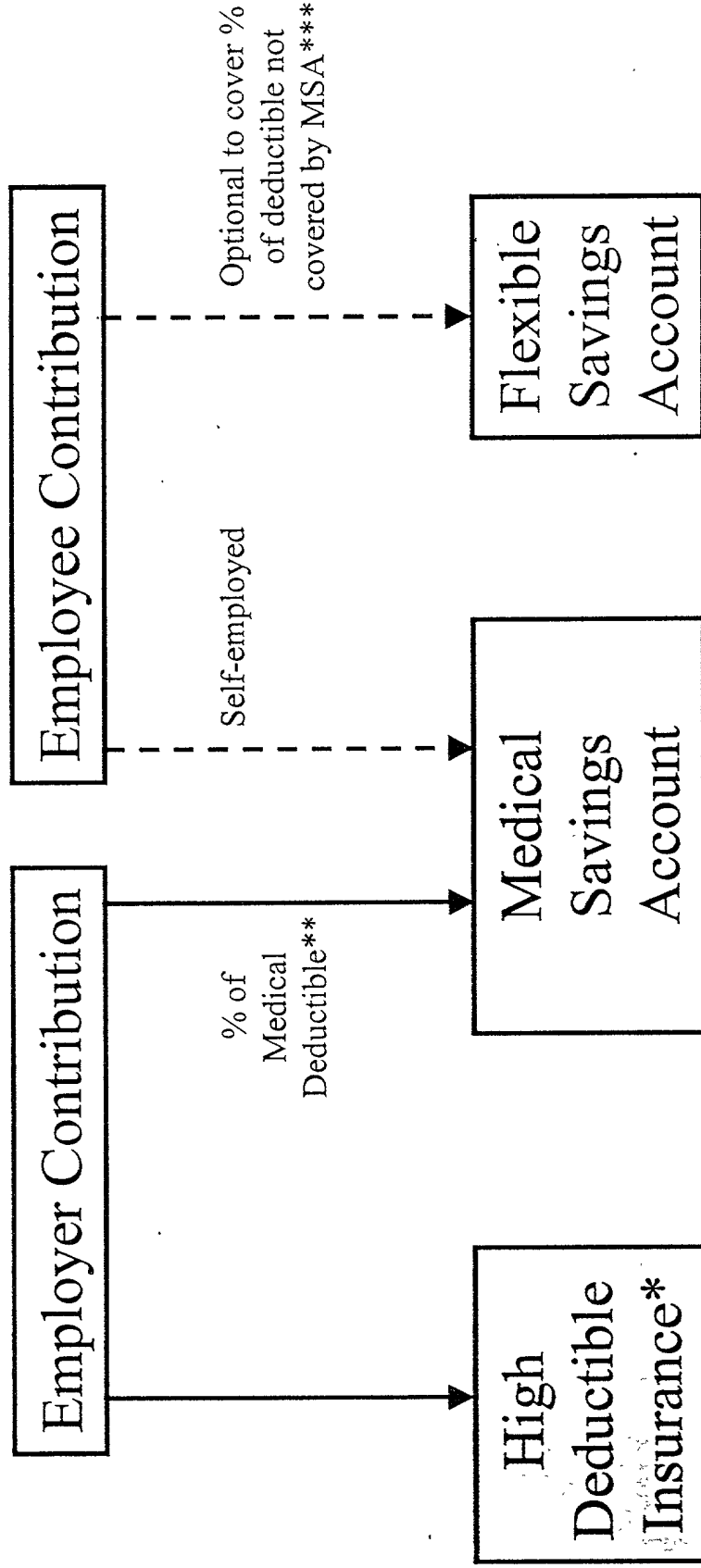


Figure 3

The Product



* Medical, Life, Disability, and Dental

** 75% of Deductible for Family, 65% for Self-Coverage

*** Law may change to allow both employer and employee contribute to MSA (pre-tax) to cover total deductible

Fig 4

HealthBucks.com

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

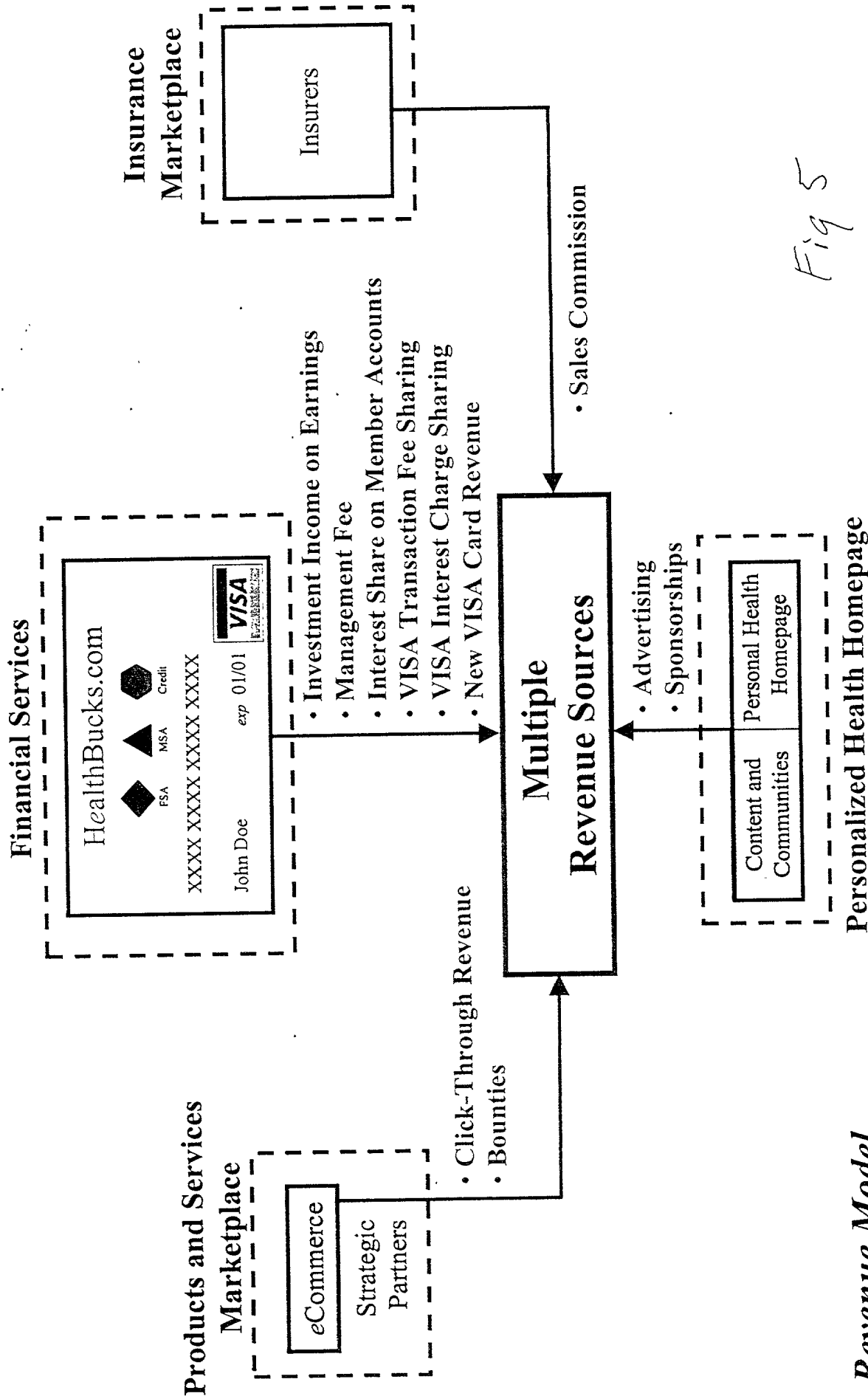


Fig 5

Revenue Model

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

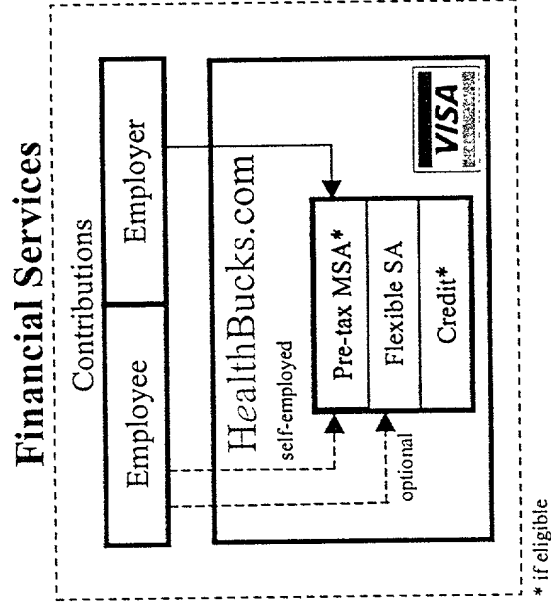


Fig 6

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

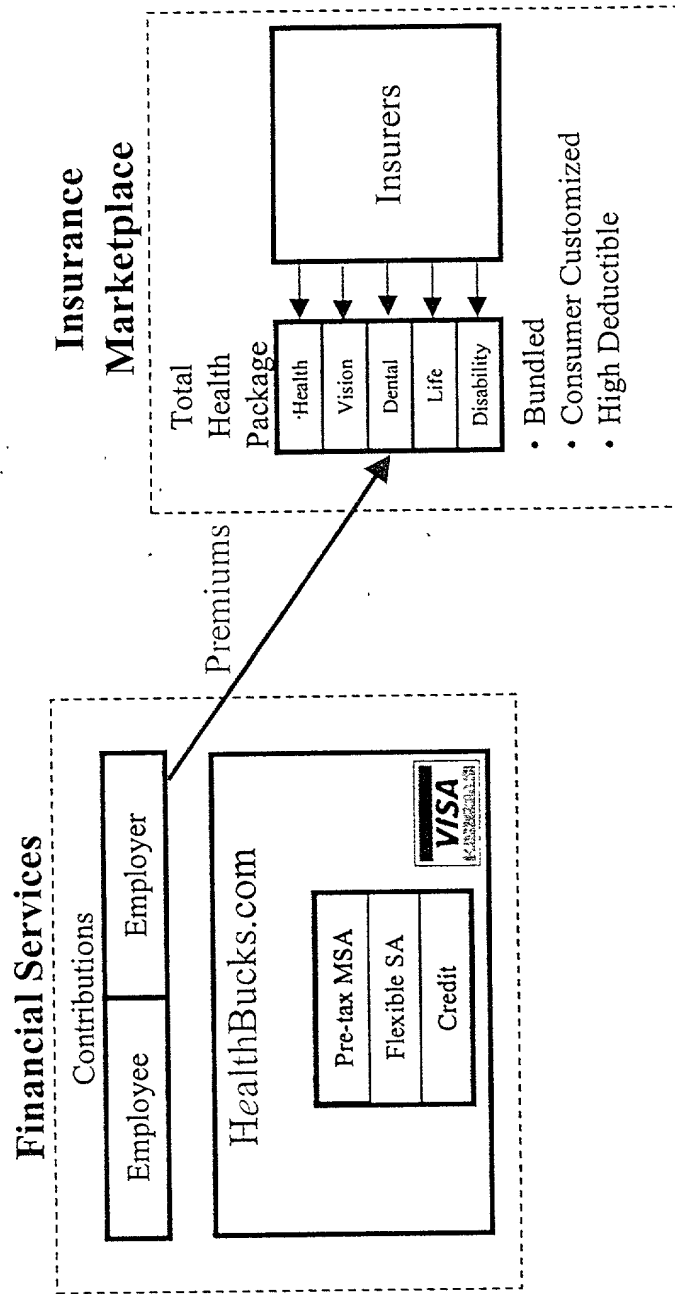


Fig 7

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

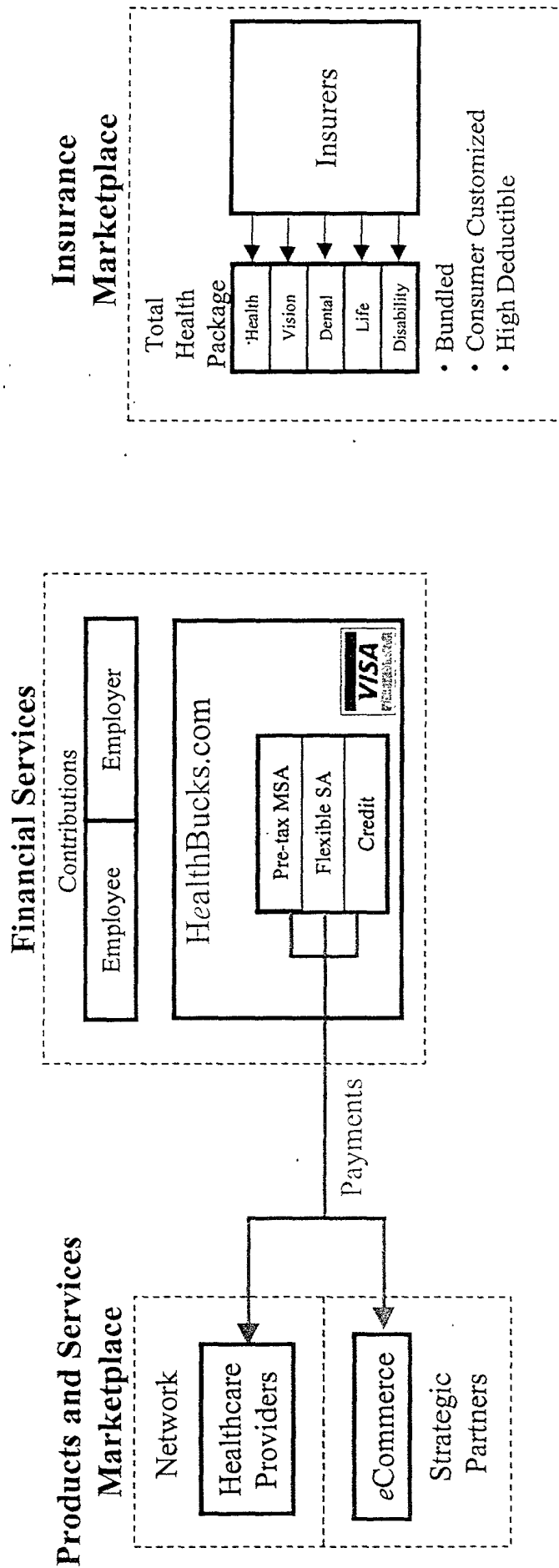


Fig 8

HealthBucks.com

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

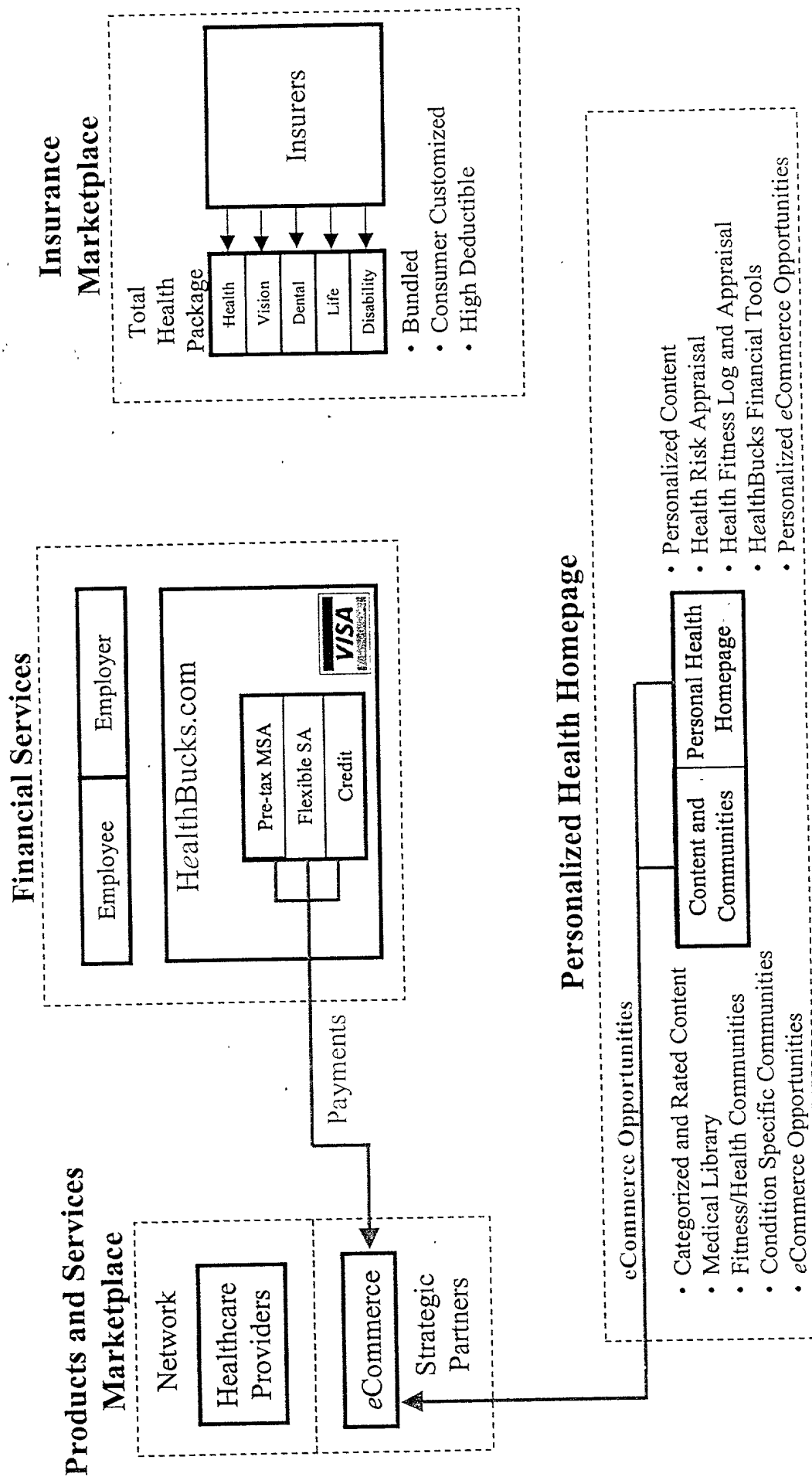
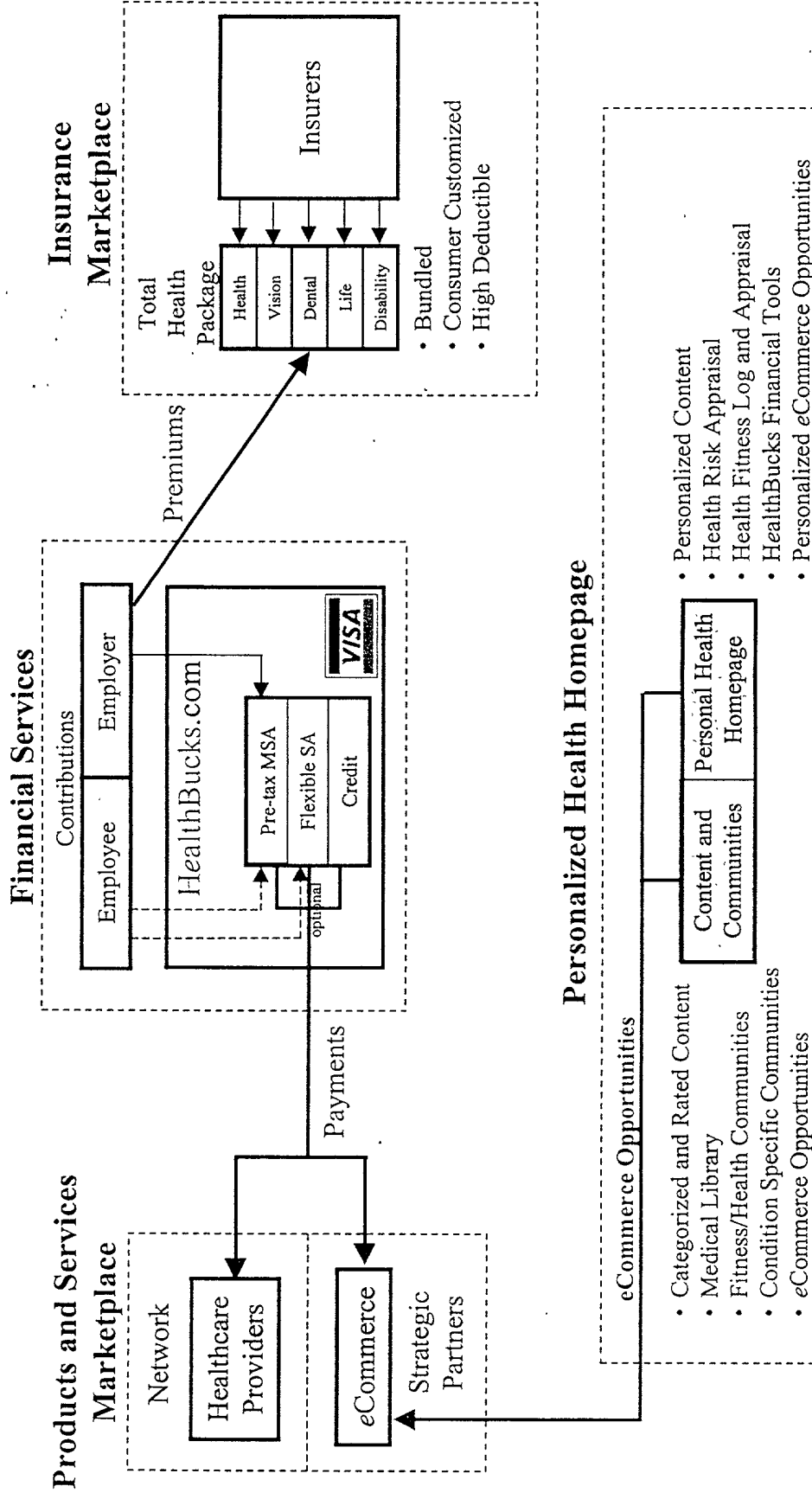


Fig 9

Business Model



Business Model

Fig 10

Start

End

Employer will pay for \$3,000 Deductible Health Insurance, contribute 75%* of deductible to MSA, and will offer Dental, Life, and Disability

Enroll Employee, Establish Accounts, Mail Credit Application to Employee (if Requested), Send Policy Data to Insurers, Establish Personal Health Homepage, Consolidate HRA for Employee Wellness Report, Send Welcome eMail to Employee

Employee Customizes Benefits Plan

Employee Benefit Design		Administrative	Health Risk Appraisal
Plan	Health	Life	Disability
<input type="radio"/> Single	<input type="radio"/> \$1,500 <input checked="" type="radio"/> \$2,500 <input type="radio"/> \$3,000 <input type="radio"/> \$4,500	<input checked="" type="radio"/> \$10,000 <input type="radio"/> \$10,000 <input type="radio"/> \$25,000 <input type="radio"/> \$50,000 <input type="radio"/> \$75,000 <input type="radio"/> \$100,000 <input type="radio"/> \$150,000 <input type="radio"/> \$200,000	<input checked="" type="radio"/> Yes <input type="radio"/> No
<input checked="" type="radio"/> Family			
Age	Dental		Credit Card
<input type="radio"/> 30-35 <input checked="" type="radio"/>	<input type="radio"/> \$250 <input checked="" type="radio"/> \$500		<input checked="" type="radio"/> Yes <input type="radio"/> No
Location			
<input checked="" type="radio"/> Boston <input type="radio"/>			
Monthly FSA Contribution <input type="text" value="\$50"/> <input checked="" type="checkbox"/>			

Employee Submits Plan

Submit

Calculate and Optimize Pricing of Employee Benefit Design

Data Server

Application Server

Internet

Internet provides marketplace and real-time pricing

Submit and Maintain Quote Algorithms or Lookup Tables

Insurers

Employee Redesigns Plan Change Parameters (What If)

Employee Enrolls

Or

Change Design

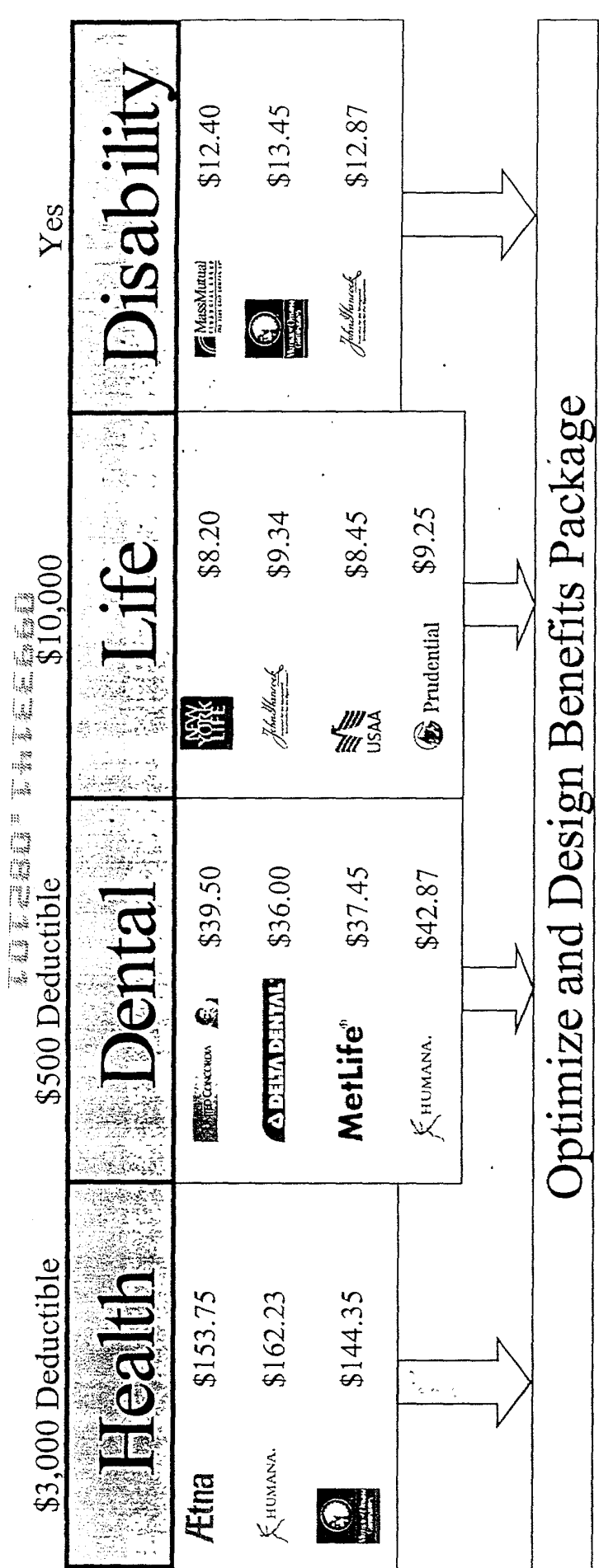
Enroll

	Deductible	Monthly Premium
Health	\$3,000 Deductible	\$144.35
Dental	\$500 Deductible	\$36.00
Life	\$10,000	\$8.20
Disability	Yes	\$12.40
Total of Benefit Design		\$200.95

Contribution

	Employer	Employee
Premiums	\$144.35	\$56.60
Monthly MSA Contribution	\$187.50	
Monthly FSA Contribution		\$50.00
Total	\$331.85	\$106.60

Fig 11



	Deductible	Monthly Premium
Health	\$3,000 Deductible	\$144.35
Dental	\$500 Deductible	\$36.00
Life	\$10,000	\$8.20
Disability	Yes	\$12.40
Total of Benefit Design		\$200.95

	Contribution	
	Employer	Employee
Premiums	\$144.35	\$56.60
Monthly MSA Contribution	\$187.50	
Monthly FSA Contribution		\$50.00
Total	\$331.85	\$106.60

Fig 12

Confidential

HealthBucks

Benefit Plan Design

Administrative	Benefit Plan Design	Health Profile
Health <input checked="" type="radio"/> Family <input type="radio"/> Single	Annual Deductible <input type="text" value="\$3,000"/>	Your employer has selected \$3,000 as the Base Deductible Health Plan and will contribute \$187.50 monthly to your Medical Savings Account.
Dental <input type="text" value="\$500"/>	Annual Deductible <input checked="" type="checkbox"/>	
Life <input type="text" value="\$10,000"/>		
Disability <input checked="" type="radio"/> Yes <input type="radio"/> No		
Monthly Flexible Savings Account Pre-tax Contribution <input type="text" value="\$50"/>		
Credit Card <input checked="" type="radio"/> Yes <input type="radio"/> No		<input type="button" value="Submit"/>

Need Help?
800.1FTH.BUCK

F 19 13

HealthBucks

Benefit Plan Summary

Employer Contribution



Health

Product

\$3,000 Deductible

Monthly Amount

\$144.35

HealthBucks

MSA

75% of \$3,000 Health Deductible

\$187.50

\$331.85

Adjustment

\$0.00

\$331.85

Employee Contribution



Dental

\$500 Deductible

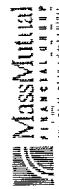
\$36.00



Life

\$10,000

\$8.20



Disability

Yes

\$12.40



FSA

Pre-tax Contribution

\$50.00

\$106.60

Maximum Annual Out-of-Pocket Cost for Health

\$750

Maximum Annual Out-of-Pocket Cost for Dental

\$500

Total Maximum Annual Out-of-Pocket Cost

\$1,200

Adjustment

\$0.00

\$106.60

Need Help?

800.ITT.II.BUCK

Click on Logos for Price Comparison and Carrier Selection

Change Benefit Design

Enroll

Fig 14

HealthBucks

Health Panel

\$3,000 Deductible

Insurer Monthly Premium

Aetna

\$153.75



MetLife

\$162.23



\$144.35



Submit



Need Help?
800.1TH.BUCK

Fig 15

HealthBucks

Health Panel

\$3,000 Deductible

Insurer Monthly Premium

Aetna

\$153.75



MetLife

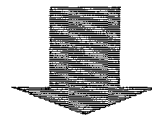
\$162.23



\$144.35



Submit



Need Help?
800.11TH.BUCK

Fig 16

HealthBucks

Benefit Plan Summary

Employer Contribution

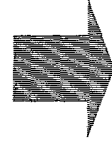
Aetna	Health	Product	Monthly Amount
		\$3,000 Deductible	\$153.75
HealthBucks	MSA	75% of \$3,000 Health Deductible	\$187.50

Adjustment
\$341.25
-\$9.40
\$331.85

Employee Contribution

Aetna Dental	Dental	\$500 Deductible	\$36.00
New York Life	Life	\$10,000	\$8.20
MassMutual Financial Group	Disability	Yes	\$12.40
HealthBucks	FSA	Pre-tax Contribution	\$50.00

Adjustment
\$106.60
+\$9.40
\$116.00



Change Benefit Design

Enroll

Need Help?

800.HTH.BUCK

Click on Logos for Price Comparison and Carrier Selection

Fig 1.4

HealthBucks

Benefit Plan Design

Administrative	Benefit Plan Design	Health Profile
Health <input checked="" type="radio"/> Family <input type="radio"/> Single Dental <input type="checkbox"/> \$500 <input checked="" type="checkbox"/> Annual Deductible Life <input type="checkbox"/> \$10,000 <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<div style="border: 2px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> \$4,500 <input checked="" type="checkbox"/> Annual Deductible </div>	Your employer has selected \$3,000 as the Base Deductible Health Plan and will contribute \$187.50 monthly to your Medical Savings Account.
Monthly Flexible Savings Account Pre-tax Contribution <input type="text" value="\$50"/>		<div style="border: 1px solid black; padding: 5px; display: inline-block;">Submit</div>

Need Help?
800.11TH.BUCK

Fig 12

HealthBucks

Benefit Plan Summary

Employer Contribution



Health

HealthBucks

MSA

Product

\$4,500 Deductible

Monthly Amount

\$126.08

75% of \$3,000 Health Deductible

\$187.50

\$313.58

Adjustment
+\$18.27

\$331.85

Employee Contribution



Dental

\$500 Deductible

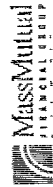
\$36.00



Life

\$10,000

\$8.20



Disability

Yes

\$12.40



FSA

Pre-tax Contribution

\$50.00

\$106.60

Adjustment
-\$18.27

\$88.33

Maximum Annual Out-of-Pocket Cost for Health

\$2,250

Maximum Annual Out-of-Pocket Cost for Dental

\$500

Total Maximum Annual Out-of-Pocket Cost

\$2,750

Need Help?
800.HTH.BUCK

Click on Logos for Price Comparison and Carrier Selection

Change Benefit Design

Enroll

Fig 19

HealthBucks

Health Panel

\$4,500 Deductible

Insurer Monthly Premium

Aetna

\$126.08



MetLife

\$133.03



\$118.67



Submit

Need Help?
800.1111.BUCK

Fig 20

HealthBucks

Benefit Plan Summary

Employer Contribution

Product Monthly Amount

Aetna

Health

\$4,500 Deductible

\$126.08

HealthBucks

MSA

75% of \$3,000 Health Deductible

\$187.50

\$313.58
Adjustment **+\$18.27**

Employee Contribution

DELTA DENTAL

Dental

\$500 Deductible

\$36.00

NEW YORK LIFE

Life

\$10,000

\$8.20

MassMutual
FINANCIAL GROUP

Disability

Yes

\$12.40

HealthBucks

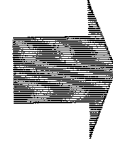
FSA

Pre-tax Contribution

\$50.00

\$106.60
Adjustment **-\$18.27**
\$88.33

Maximum Annual Out-of-Pocket Cost for Health **\$2,250**
Maximum Annual Out-of-Pocket Cost for Dental **\$500**
Total Maximum Annual Out-of-Pocket Cost **\$2,700**



Need Help?

800.HTH.BUCK

Click on Logos for Price Comparison and Carrier Selection

Change Benefit Design **Enroll**

Fig 21

HealthBucks

Benefit Plan Design



Administrative	Benefit Plan Design	Health Profile
<p>Health <input checked="" type="radio"/> Family <input type="radio"/> Single</p> <p>Dental <input type="checkbox"/> \$500 <input checked="" type="checkbox"/> Annual Deductible</p> <p>Life <input type="checkbox"/> \$10,000 <input checked="" type="checkbox"/></p> <p>Disability <input checked="" type="radio"/> Yes <input type="radio"/> No</p>	<p><input checked="" type="checkbox"/> \$3,000 <input type="checkbox"/> Annual Deductible</p> <p>Monthly Flexible Savings Account Pre-tax Contribution</p> <p>Credit Card <input checked="" type="radio"/> Yes <input type="radio"/> No</p>	<p>Your employer has selected \$3,000 as the <u>Base Deductible Health Plan</u> and will contribute \$187.50 monthly to your <u>Medical Savings Account</u>.</p> <p><input checked="" type="checkbox"/> \$100 <input type="checkbox"/></p> <p>Submit</p>

Need Help?
800.ITH.BUCK

HealthBucks

Benefit Plan Summary



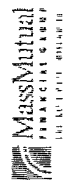

Employer Contribution

	Health	Product	Monthly Amount
		\$3,000 Deductible	\$153.75
	MSA	75% of \$3,000 Health Deductible	\$187.50

\$341.25
- \$9.40
\$331.85

Adjustment

Employee Contribution

	Dental	\$500 Deductible	\$36.00
	Life	\$10,000	\$8.20
	Disability	Yes	\$12.40
	FSA	Pre-tax Contribution	\$100.00

\$206.60
+ 9.40
\$216.00

Adjustment

Need Help?
800.FTH.BUCK

Click on Logos for Price Comparison and Carrier Selection

Change Benefit Design

Enroll

Fig 23

HealthBucks

Welcome to HealthBucks!

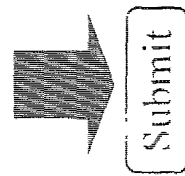
- Your application has been accepted!
- \$216.00 will be withheld from your monthly salary.
- Your maximum annual out-of-pocket cost for health is \$750.
- Your maximum annual out-of-pocket cost for dental is \$500.
- Your total maximum out-of-pocket cost is \$1,200.
- You have placed \$100 per month in the HealthBucks pre-tax Flexible Savings Account to offset your maximum out-of-pocket cost.
- Your Flexible Savings money will be used first (they are "use-or-lose" dollars).
- You will be mailed a credit application within the next day.
- You will receive your HealthBucks debit card in two weeks and a replacement credit card once your credit rating has been established - usually two weeks after receipt of your credit application.
- You will receive policies from the carriers you selected within three weeks.
- You can always review benefit coverages on-line at MyHealthBucks (your personal health homepage). You will establish this homepage in a few minutes.
- Your policies will take effect on **January 1, 2001**.
- We appreciate your business - please take a second to fill out the enrollment survey question below:

I found the enrollment process:

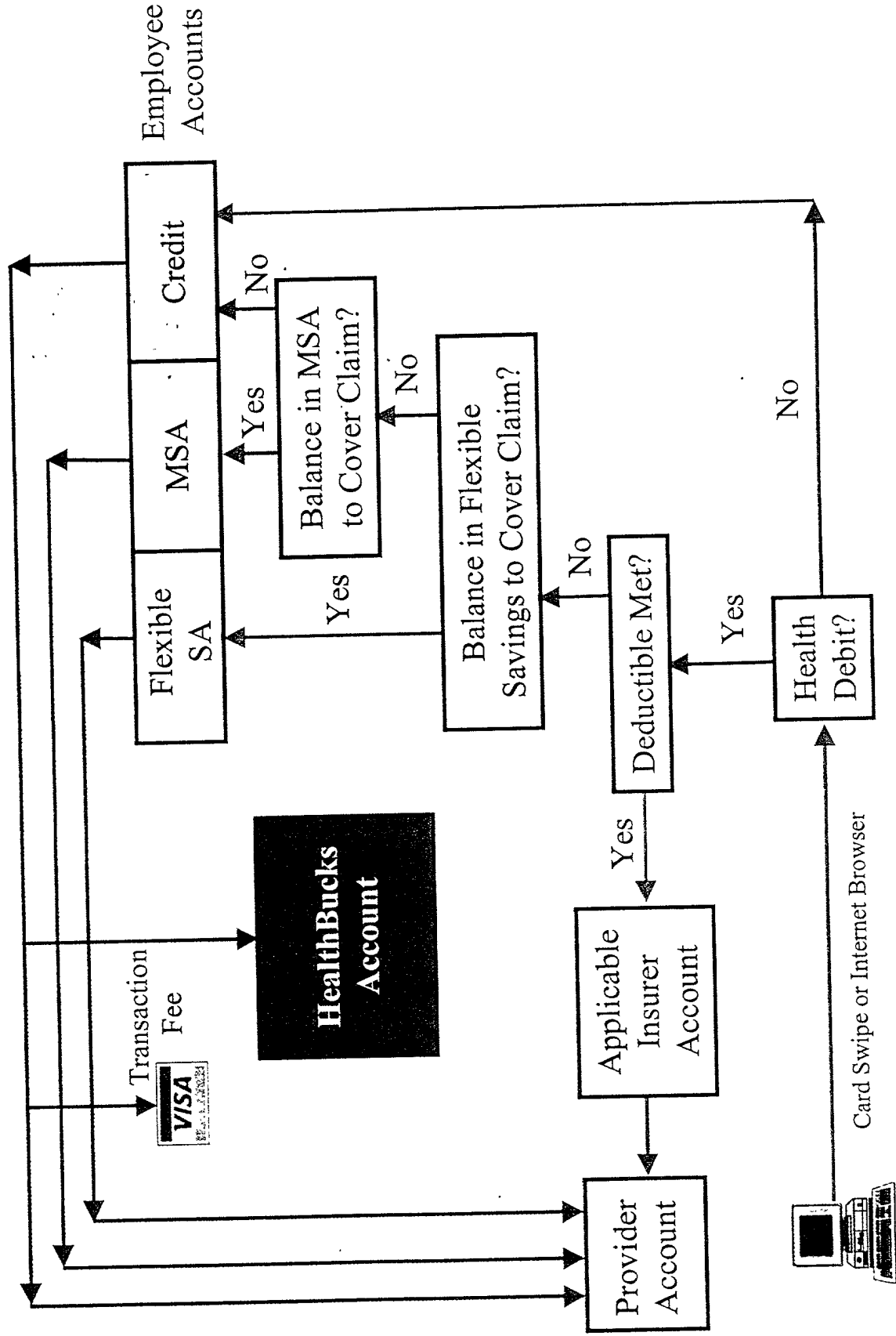
Very Easy	Easy	Difficult	Very Difficult
☉	☉	☉	☉

Need Help?

800.MYH.BUCK



Service and Product Provider Payment



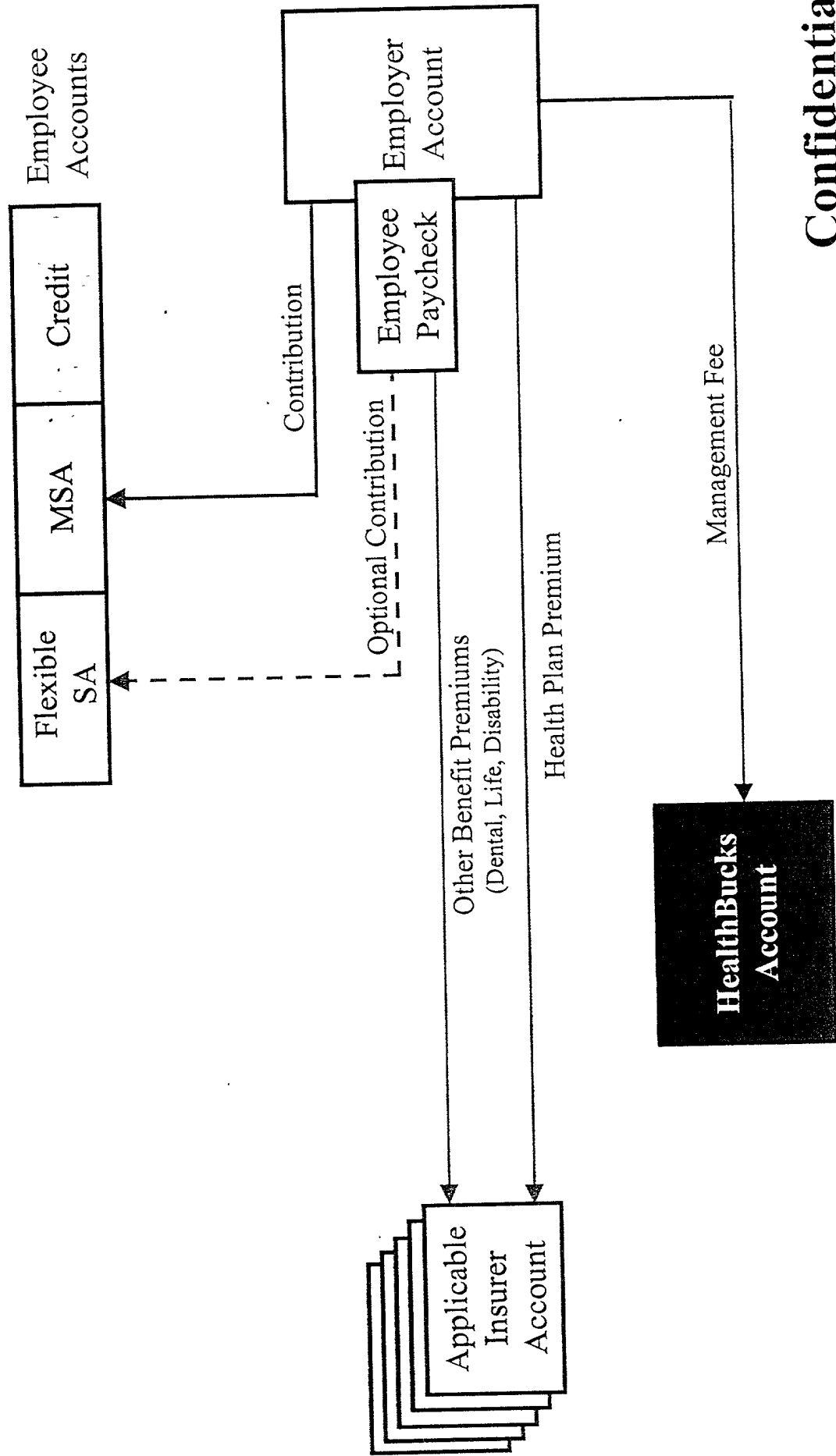
Service or
Product Provider

Card Swipe or Internet Browser

Fig 25

Confidential

Premium and Contribution Flow



Confidential

Fig 26

Value Proposition

Employer

- Savings over current managed care plans.
- Reduces healthcare costs - cost control because of cost conscious employees who are smart shoppers for medical care when they realize the money in their accounts is theirs to keep.
- Provides incentive for employees to manage their health resulting in healthier workforce
- World class customer service - similar to banking system
- Increased employee morale
- Distances employer from HMO litigation
- Provides employee a benefits alternative
- Marketing tool to attract employees if they carry *HealthBucks.com* with current employer
- Lower commissions and management fees

Providers

- Can practice medicine rather than manage business
- Facilitates doctor-patient relationship
- Paid at point of service - improved cash flow
- No change to current office procedures
- Could lower administrative cost
- Simplicity - no formulary or plan benefits to manage

Employee

- Empowered with information, tools, efficient markets, and financial assets to make their own decisions with their providers
- Allows for customization of total health insurance and financial package
- Allows choice of providers - total freedom
- Consumer makes decisions with their doctor, not HMO
- Hassle-free healthcare with world class customer service
- Protection against catastrophic event - limited risk to consumer (out of pocket cost no different than PPO with coinsurance).
- Provides continuous coverage if in between employers, self employed, or retired.
- Provides potential health benefits for life for healthy consumers - the money in employees account is theirs to keep.
- Provides incentive for maintaining and managing health

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

Example

Family of Four in Cincinnati

<u>Managed Care Model</u>	<u>HealthBucks.com Model</u>
PPO Product with Network	High Deductible Insurance with MSA
Current Premium = \$468/month for PPO	Insurance Deductible \$3,100
<ul style="list-style-type: none"> \$250 Deductible Co-Pays (IP/OP) 10% Co-Insurance (in network) 30% Co-Insurance (out of network) Higher Cost for Out of Network 	<ul style="list-style-type: none"> Annual Insurance Premium \$1,320 MSA Contribution* (Non-Taxable) \$2,325
<div>Total Cost to Employer \$468 x 12 = \$5,616</div>	<ul style="list-style-type: none"> Cost of Insurance and Contributions \$3,645 Management Fee to HealthBucks.com (7%) \$255
<div>\$1,716 Savings (31%)</div>	<div>Total Cost to Employer \$3,900</div>
Max Out of Pocket for Employee (not counting deductibles or co-payments)	Max Out of Pocket for Employee \$775
* Limited to 75% of Deductible	Note: Management Fee includes commissions Managed Care Management Fee is 14-15%

HealthBucks.com

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

Example

Family of Four in San Francisco

<u>Managed Care Model</u>	<u>HealthBucks.com Model</u>
PPO Product with Network	High Deductible Insurance with MSA
Current Premium = \$804/month for PPO	Insurance Deductible \$3,100
<ul style="list-style-type: none"> • \$500 Deductible • Co-Pays (IP/OP) • 10% Co-Insurance (in network) • 30% Co-Insurance (out of network) • Higher Cost for Out of Network 	<ul style="list-style-type: none"> Annual Insurance Premium \$4,224 MSA Contribution* (Non-Taxable) \$2,325
<i>Employee has additional out-of-pocket costs</i>	<ul style="list-style-type: none"> Cost of Insurance and Contributions \$6,549 Management Fee to HealthBucks.com (7%) \$458
<div>Total Cost to Employer</div> <div>\$804 x 12 = \$9,648</div>	<div>Total Cost to Employer</div> <div>\$7,007</div>
<div>Max Out of Pocket for Employee</div> <div>\$500</div> <div>(not counting deductibles or co-payments)</div>	<div>Max Out of Pocket for Employee</div> <div>\$775</div>
* Limited to 75% of Deductible	<div>Note: Management Fee includes commissions</div> <div>Managed Care Management Fee is 14-15%</div>

Personalized Health Information, Customized Benefits, Financial Tools and Services, and Efficient Markets to Empower Consumers

- HealthBucks.com model creates savings for employers insuring families.

	Family of 4	Single
Cincinnati	31%	3%
San Francisco	27%	-17%
Miami	50%	8%
Phoenix	15%	-27%
Average	31%	-9%

- In some markets, singles (individually) are more expensive.
- However, in the aggregate (group), HealthBucks.com is more affordable, more efficient, and more flexible than managed care.

Assume the Employer Insures 10 Families and 10 Singles

	Cost of Managed Care	
	Family of 4	Single
Cincinnati	\$5,616	\$1,740
San Francisco	\$9,648	\$2,364
Miami	\$8,844	\$2,040
Phoenix	\$5,400	\$1,524
Average	\$7,377	\$1,917
		Total
		\$73,560
		\$120,120
		\$108,840
		\$69,240
		\$92,940

Cost of HealthBucks		Total
Family of 4	Single	
\$3,900	\$1,694	\$55,945
\$7,007	\$2,773	\$97,803
\$4,401	\$1,887	\$62,879
\$4,606	\$1,938	\$65,447
\$4,979	\$2,073	\$70,518

Percent Savings
24%
19%
42%
5%
24%